



POLICY 3.79

5-C I recommend the Board approve the proposed new Policy 3.79, to be entitled "Definition of 'Retiree' for Purposes of the Health Plan."

[Contact: Dianne Howard, 434-8414]

Development

CONSENT ITEM

- For purposes of continuation in the health insurance plan, this proposed Policy clarifies which persons will qualify as "retirees" under the FRS Pension Plan and the FRS Investment Plan (Public Employee Optional Retirement Program).
- Local government entities may determine which employees in the FRS Investment Plan are to be deemed "retired" and given the option of continuing in the District's health insurance plan under Fla. Stat. § 112.0801.

POLICY 3.79

DEFINITION OF "RETIREE" FOR PURPOSES OF THE HEALTH PLAN

1
2
3
4
5 **1. Purpose.--** For purposes of a retiree's option of continuing in the District's health
6 insurance program under Fla. Stat. § 112.0801, this Policy is adopted to clarify the
7 terms "retirement," "retiree," or "retired employee" under the FRS Pension Plan and
8 the FRS Investment Plan.

9
10 **2. General Definitions.--** The following terms are defined as follows:

11
12 a. "FRS Pension Plan" means the defined-benefit retirement plan administered
13 under Part I of Florida Statutes Chapter 121.

14
15 b. "FRS Investment Plan" means the Public Employee Optional Retirement
16 Program, a defined contribution plan created under Part II of Florida Statutes
17 Chapter 121, which began enrolling members in July 2002.

18
19 **3. Definition of "Retiree" under the FRS Pension Plan.--** For purposes of continuing
20 in the District's health insurance program, the term "retiree" or "retired employee"
21 under the FRS Pension Plan means, similar to Fla. Stat. § 110.123(2)(g), a person
22 who meets all of the following criteria:

23
24 a. has retired and terminated employment under the FRS Pension Plan or is
25 placed on FRS disability retirement with a minimum of one (1) full year of
26 creditable service, as defined by FRS, in Palm Beach County School District
27 immediately preceding retirement;

28
29 b. was insured under the District's group health insurance program at the time of
30 retirement; and

31
32 c. begins receiving FRS retirement benefits immediately after termination of
33 employment.

34
35 **4. Definition of "Retiree" under the FRS Investment Plan --** For purposes of
36 continuing in the District's health insurance program, the term "retiree" or "retired
37 employee" under the FRS Investment Plan means, similar to Fla. Stat. §§
38 121.4501(2)(j) and 110.123(2)(g), a person who meets all of the following criteria:

39
40 a. has retired and terminated employment or been placed on disability retirement
41 under the FRS Investment Plan;

42
43 b. was insured under the District's group health insurance program at the time of
44 retirement;

45
46 c. begins receiving retirement benefits immediately after termination of
47 employment (i.e., has taken a distribution (either lump sum, direct rollover, or
48 periodic amount as provided in Fla Stat. § 121.591(1)(c), except for a
49 mandatory distribution of a de minimis account authorized by the State Board
50 of Administration): and

51
52 d. meets one of the following age and service requirements, as applicable:

53
54 i. age sixty-two (62) with six (6) years of creditable Palm Beach County
55 School District service within the immediate past ten (10) years: or

56
57 ii. for those Special Risk employees (as defined by FRS), age fifty-five (55)
58 (or other criteria under Fla. Stat. § 121.021(29)(b)) with six (6) years of
59 creditable Palm Beach County School District service within the
60 immediate past ten (10) years: or

61
62 iii. the age specified by section 72(t)(2)(A)(i) of the Internal Revenue Code
63 (age 59½) with six (6) years of creditable Palm Beach County School
64 District service within the immediate past ten (10) years.

65
66 STATUTORY AUTHORITY: §§ 1001.41(2); 1001.43(2), (11), Fla. Stat.

67
68 LAWS IMPLEMENTED: §§ 110.123(2)(g); 112.0801; 121.021(29); 121.4501(2)(j),
69 Fla. Stat.

70 HISTORY: / /04

Legal Signoff:

The Legal Department has reviewed proposed Policy 3.79 and finds it legally sufficient for development.

Attorney

Date